STATE OF MINNESOTA CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

PROBABLE CAUSE DETERMINATION

IN THE MATTER OF THE COMPLAINT OF CAROL BECKER REGARDING THE MINNEAPOLIS BICYCLE COALITION, DBA OUR STREETS MINNEAPOLIS

On July 5, 2022, the Campaign Finance and Public Disclosure Board received a complaint submitted by Carol Becker regarding Our Streets Minneapolis, which was formerly known as the Minneapolis Bicycle Coalition. Our Streets Minneapolis is a 501(c)(3) nonprofit that was not registered with the Board when the complaint was filed.

The complaint alleges violations of Minnesota Statutes sections 10A.03 and 10A.04, which require lobbyists to register and file reports with the Board and require a lobbyist principal to file an annual report with the Board. The complaint argues that Our Streets Minneapolis's "own reporting shows \$89,000 of their \$500,000 budget went directly to lobbying" and that the association is "employing people to lobby who are paid over \$3,000 a year."

The complaint includes partial copies of emails allegedly sent by Our Streets Minneapolis during the time period of December 16, 2021, through June 15, 2022. Those emails asked recipients to contact members of the Minneapolis City Council in support of 24/7 bus lanes on Hennepin Avenue South, to contact the Metropolitan Council and the Hennepin County Board of Commissioners regarding the proposed Blue Line extension, and to contact the Minnesota Department of Transportation regarding its Rethinking I-94 project. The complaint asserts that those emails constitute lobbying. The complaint alleges and contains evidence that Our Streets Minneapolis used its website¹ and social media pages, including Twitter,² Facebook,³ and Instagram,⁴ to do the same.

The complaint includes a partial copy of an email allegedly sent by Our Streets Minneapolis on March 17, 2022, asking recipients to contact members of the Minneapolis City Council in support of funding for Open Streets Minneapolis. The complaint includes screenshots of web pages⁵ asking readers to send a pre-written email to members of the Minneapolis City Council and other city leaders asking "that the Mayor's 2023 budget include \$100,000 of ongoing funding to support Our Streets Minneapolis in hosting" Open Streets Minneapolis events. The complaint also includes a screenshot of a webpage stating that "[i]n response to public pressure, City of Minneapolis Public Works . . . committed to working with our staff to support the program in kind-to the tune of approximately \$20,000."⁶

¹ ourstreetsmpls.org

² twitter.com/OurStreetsMpIs

³ facebook.com/ourstreetsmpls

⁴ instagram.com/ourstreetsmpls

⁵ openstreetsmpls.org/funding_campaign; actionnetwork.org/letters/help-make-open-streets-minneapolisevents-more-accessible

⁶ actionnetwork.org/letters/help-make-open-streets-minneapolis-events-more-accessible/

The complaint argues that Our Streets Minneapolis is a principal and thereby was required to file principal reports but has failed to do so. The complaint further argues that Our Streets Minneapolis employs lobbyists who were required to register with the Board and file lobbyist reports, but have failed to do so. The complaint does not identify specific individuals who allegedly were required to register as lobbyists for Our Streets Minneapolis.

On July 18, 2022, the Board chair determined that the complaint stated prima facie violations of the lobbyist registration and reporting requirements under Minnesota Statutes section 10A.03 and 10A.04 and of the principal reporting requirements under Minnesota Statutes section 10A.04, subdivision 6. The prima facie determination and complaint were provided to Our Streets Minneapolis the same day and Our Streets Minneapolis requested additional time to retain counsel and provide a response.

On July 27, 2022, Ms. Becker provided the Board with a supplement to the complaint, which was provided to counsel for Our Streets Minneapolis, Brian Dillon, on August 2, 2022. On August 5, 2022, the Board received lobbyist registration forms for five lobbyists representing Our Streets Minneapolis, including Alex Burns, Lily (Luis) Mendoza, Ashwat Narayanan, Raquel Sidie-Wagner, and Jose Antonio Zayas Caban. Our Streets Minneapolis requested that each lobbyist registration be made retroactive to February 23, 2022. On August 9, 2022, the Board received a lobbyist disbursement report from Mr. Narayanan, covering the period from January 1, 2022, through May 31, 2022. Mr. Narayanan, as the principal's designated lobbyist and only reporting lobbyist, reported the lobbying disbursements of the principal's other four lobbyists as well as the principal itself, which is reported as \$18,351 during that period.

On August 17, 2022, Mr. Dillon provided the Board with a written response to the complaint and the supplemental information provided by Ms. Becker. Mr. Dillon disputed some aspects of the complaint but acknowledged that Our Streets Minneapolis "now recognizes that it recently began engaging in regulated lobbying activity without knowing that it had done so." Mr. Dillon stated that Our Streets Minneapolis hired additional staff in 2021 to focus on public policy and advocacy efforts. Mr. Dillon said that in February 2022 Our Streets Minneapolis "began relying on software tools to make specific calls to action for legislative or public policy outcomes that are important to the organization and its mission." Mr. Dillon stated that although Our Streets Minneapolis "spent \$125,607 on advocacy in 2021, the majority of those expenditures were to inform and educate the public on various issues and were unrelated to lobbying." Mr. Dillon disputed several specific components of the additional information submitted by Ms. Becker while asserting that lobbying activities consume only a fraction of the budget of Our Streets Minneapolis.

On August 19, 2022, Board staff requested additional information from Mr. Dillon regarding how the February 23, 2022, registration date was chosen and requesting additional information related to images provided by the complainant that did not display properly within a file that Board staff had provided to Mr. Dillon on August 2, 2022. On August 25, 2022, Mr. Dillon provided the Board with a supplemental written response. Mr. Dillon explained that the

February 23, 2022, date was chosen as that was the date the lobbyists met the registration threshold, as a result of "the organizational time and resources invested in the Twin Cities Boulevard campaign." Mr. Dillon further explained that Our Streets Minneapolis and its employees did not register or file reports for 2021 as neither the organization nor its employees reached the threshold requiring registration and reporting in 2021. Mr. Dillon explained this was largely due to Our Streets Minneapolis not hiring additional staff until late 2021 and focusing on training during that time. Mr. Dillon argued the emails from 2021 were not lobbying as they pertained to encouraging members of the public to "make their own voices heard" and encouraged a nonspecific vision without a "call to action on any specific legislative or administrative proposals."

At its meeting on September 7, 2022, the Board considered this matter. Ms. Becker appeared before the Board in person, and Mr. Dillon and Mr. Narayanan appeared before the Board in person on behalf of Our Streets Minneapolis.

Analysis

When the Board chair makes a finding that a complaint raises a prima facie violation, the full Board then must determine whether probable cause exists to believe an alleged violation that warrants an investigation has occurred. Minn. Stat. § 10A.022, subd. 3 (d). A probable cause determination is not a complete examination of the evidence on both sides of the issue. Rather, it is a determination of whether a complaint raises sufficient questions of fact which, if true, would result in the finding of a violation.

If the Board finds that probable cause exists, the Board is required to determine whether the alleged violation warrants a formal investigation, considering the type and magnitude of the alleged violation, the knowledge of the respondent, any benefit to be gained from a formal investigation, the availability of Board resources, and whether the violation has been remedied. Minn. R. 4525.0210, subp. 5. If the Board finds that probable cause exists but does not order a formal investigation, the Board is required to either dismiss the complaint or order a staff review. Minn. R. 4525.0210, subp. 6.

Lobbyist Registration and Reporting

Minnesota Statutes section 10A.01, subdivision 21, defines the term lobbyist, in relevant part, to mean an individual "engaged for pay or other consideration of more than \$3,000 from all sources in any year . . . for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials." Minnesota Statutes section 10A.01, subdivision 24, defines the term metropolitan governmental unit, in relevant part, to mean "any of the seven counties in the metropolitan area as defined in section 473.121, subdivision 2 . . . a city with a population of over 50,000 located in the seven-county metropolitan area, the Metropolitan Council, or a metropolitan Council, and the City of Minneapolis are each metropolitan

governmental units. Minnesota Statutes section 10A.01, subdivision 2, defines the term administrative action to mean "an action by any official, board, commission or agency of the executive branch to adopt, amend, or repeal a rule under chapter 14" and excludes from that definition "the application or administration of an adopted rule," with three exceptions inapplicable to the complaint.

Minnesota Statutes section 10A.01, subdivision 35, defines the term public official, in relevant part, to mean a "commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06," a "member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council," a "member or chief administrator of a metropolitan agency," or a county commissioner. Minnesota Statutes section 10A.01, subdivision 22, defines the term local official to mean:

a person who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person has authority to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.

Minnesota Statutes section 10A.03, subdivision 1, requires a lobbyist to register with the Board within five days after becoming a lobbyist or being engaged by a new principal. Minnesota Statutes section 10A.04, subdivision 1, requires a lobbyist to file biannual reports with the Board.

The complaint alleges and the Board's records reflect that that there were no lobbyists registered on behalf of Our Streets Minneapolis until after the complaint was filed. The complaint alleges and contains evidence that individuals employed by Our Streets Minneapolis sent emails, maintained a website, and managed multiple social media accounts, encouraging the public to communicate with local officials and public officials in support of actions supported by Our Streets Minneapolis. Our Streets Minneapolis has acknowledged that lobbyists should have registered on its behalf starting in February 2022.

Principal Reporting

Minnesota Statutes section 10A.01, subdivision 33, defines the term principal to mean an individual or association that

(1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subdivision 6.

Minnesota Statutes section 10A.04, subdivision 6, provides that by March 15 of each year, a principal must file a principal report with the Board disclosing the amount "spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units." Minnesota Rules 4511.0100, subpart 3, defines lobbying to mean:

attempting to influence legislative action, administrative action, or the official action of a metropolitan governmental unit by communicating with or urging others to communicate with public officials or local officials in metropolitan governmental units. Any activity that directly supports this communication is considered a part of lobbying.

Ms. Becker's assertions regarding activities that occurred in 2022 are not relevant in determining whether Our Streets Minneapolis failed to file a principal report, because the principal report covering 2022 is not due until March 15, 2023. However, the complaint alleges and contains evidence that Our Streets Minneapolis sent emails in December 2021 encouraging recipients to contact government officials in support of specific policy objectives. If Our Streets Minneapolis became a principal prior to 2022, it was required to file the principal report that was due on March 15, 2022, covering 2021. Mr. Dillon's contention that the emails sent in 2021 by Our Streets Minneapolis were not lobbying activities appears to be based on a narrow definition of lobbying. The images provided within the complaint and the supplemental information indicate that Our Streets Minneapolis may have encouraged members of the public to contact public or local officials in an attempt to influence official action by a metropolitan governmental unit in 2021.

For the foregoing reasons, the Board concludes that there is probable cause to believe that at least five individuals violated Minnesota Statutes section 10A.03 by failing to timely register with the Board as lobbyists for Our Streets Minneapolis, and also violated Minnesota Statutes section 10A.04 by failing to timely file one or more lobbyist disbursement reports with the Board, including the report that was due on June 15, 2022. The Board concludes that there is probable cause to believe that Our Streets Minneapolis was a principal prior to 2022 and violated Minnesota Statutes section 10A.04, subdivision 6, by failing to file one or more principal reports with the Board, including the report that was due on March 15, 2022.

Order:

- Probable cause exists to believe that Our Streets Minneapolis employees, including Alex Burns, Lily (Luis) Mendoza, Ashwat Narayanan, Raquel Sidie-Wagner, and Jose Antonio Zayas Caban, failed to timely register as lobbyists for Our Streets Minneapolis in violation of Minnesota Statutes section 10A.03, subdivision 1.
- Probable cause exists to believe that Alex Burns, Lily (Luis) Mendoza, Ashwat Narayanan, Raquel Sidie-Wagner, and Jose Antonio Zayas Caban failed to timely file one or more lobbyist reports in violation of Minnesota Statutes section 10A.04, subdivisions 1-2.

- 3. Probable cause exists to believe Our Streets Minneapolis failed to file the 2021 principal report in violation of Minnesota Statutes section 10A.06 subdivision 6.
- 4. An investigation is ordered.

<u>/s/ Faris Rashid</u> Faris Rashid, Chair Campaign Finance and Public Disclosure Board Date: September 7, 2022